Tiga Gajah Cho Heng Sdn Bhd v Majuperak Tepung Beras Sdn Bhd

HIGH COURT (KUALA LUMPUR) — ORIGINATING SUMMONS NO D6-24-175-1992
KAMALANATHAN RATNAM JC
27 AUGUST 1996

Trade Marks *— Registered trade mark — Expungement — Application for — Whether registered proprietor of trade mark was first user of the mark — Whether registration of trade mark was procured by fraud — Whether proprietorship of mark was properly passed to present proprietor — Whether there was similarity in the appearance of both marks — Whether likely to cause confusion to or deceive consumers*

Trade Marks *— Registered trade mark — Expungement — Application for — Discretion of court in considering application — Whether court has discretion to maintain registration of mark even if registration was bad, wrong or ought not to have been made*

Trade Marks *— Trade description — Trade description order — Application to set aside — Registration of nearly resembling trade marks by different parties — Whether there could be concurrent use of trade mark — Whether trade description order should be set aside — Whether there was delay in executing trade description order — Trade Descriptions Act 1972 s 16 — Trade Marks Act 1976 s 6(4)(c)*

Trade Marks *— Trade description — False trade description — Tests to ascertain whether allegedly offending mark was similar to or closely resembled registered trade mark*

Words and Phrases *— 'Fraud' — Trade Marks Act 1976 s 37(a)*

The applicant was the registered proprietor of a trade mark bearing an elephant device within an oval ('the trade mark'). The applicant and its predecessor in proprietorship, GLT, had used the trade mark to sell rice and rice flour-related products since 1986. The respondent, on the other hand, began selling rice flour bearing the trade mark 'Cap Gajah Tunggal' with an 'elephant' device and had applied to register the same on 18 February 1987 and had been using the trade mark since 1987. On 21 January 1994, pursuant to a trade description order dated 11 September 1992 obtained by the applicant, officers from the Ministry of Domestic Trade and Consumer Affairs raided the respondent's factory. The order was for the goods bearing the description of an 'elephant' device which were not manufactured, sold or produced by the applicant, to be rendered a false trade description under the Trade Descriptions Act 1972 ('the TDA 1972'). The respondent applied and was made the respondent in the action. In the present case, the respondent sought orders that: (a) the respondent be given the freedom to make an application to remove the applicant's registered trade mark from the Register of Trade Marks; and (b) the order of the court dated 11 September 1992 be set aside. The respondent argued that the registered trade mark of the applicant should be removed or expunged as: (a) the original

registration of the applicant was obtained by fraud under s 37(a) of the Trade Marks Act 1976 ('the TMA 1976'); and (b) there were other statutory prohibitions against the entry remaining on the register. Alternatively, the respondent argued that should the court hold that the respondent had failed to establish its case for expungement, the court was empowered by the TMA 1976 to exercise its discretion and grant the following orders, namely: (a) a declaration that the respondent was an honest and concurrent user of the registered trade mark under s 20 of the TMA 1976; and (b) a condition that for the registered trade mark to remain in the register, the registered proprietor was to disclaim any right to the exclusive use of the 'elephant' trade mark except in the manner represented.

Held, dismissing the respondent's application with costs:

(1) The respondent's earliest piece of evidence of its first use of the mark referred to invoices which did not refer to the trade mark 'Cap Gajah Tunggal' but to 'Cap Wang Emas'. The invoices did not reflect evidence of complete sale transactions as they were not acknowledged, nor were there any delivery orders. On the other hand, the applicant had succeeded in illustrating the first and actual use of the trade mark by producing the earliest evidence of sale disclosed in the form of invoices which were stamped with the corresponding transport permit and acknowledgement by the recipient of the said goods (see p 519C–E).

(2) The applicant's registered trade mark was at all material times, prior to 15 October 1989, the proprietary right of GLT, the applicant's prececessor in proprietorship. Since GLT had appointed LAS (as the applicant was known before a change of name to its present name) as their contract manufacturers, the property passed from GLT to the applicant when an assignment was entered into and recorded pursuant to s 47 of the TMA 1976 (see p 519F).

(3) Fraud as stated in s 37 of the TMA 1976 must and ought to reflect the ordinary meaning ascribed to it and show conduct involving dishonesty or deception, by word or deed or omission by word or deed. The dishonesty must not be assumed solely by reason of knowledge of an unregistered interest. Cases of fraud depend upon its specific set of facts (see p 519I); *Farley (Aust) Pty Ltd v JR Alexander & Sons (Q) Pty Ltd* (1946) 75 CLR 487 followed. For fraud to subsist, there must be: (i) actual deception and intention to deceive; (ii) actual injury or possible injury by means of deceit; and (iii) actual knowledge that the act was calculated to injure one's neighbour. In the present case, the respondent had significantly failed to show these three elements in order to found its case on fraud (see p 520G–I); *Bentley Motors Ltd v Lagonda Ltd* (1947)

64 RPC 33, *Monappa v Ramappa* AIR 1956 Mad 184 and *Pinto v Bradman* (1891) 8 RPC 181 followed. A

(4) Section 74(1) of the TMA 1976 which deals with the power of the registrar to amend documents for correcting clerical errors or obvious mistakes did not apply in the instant case as there were no clerical mistakes or omission and the amendment did not affect the identity of the trade mark (see p 522H–I). The application by the applicant's predecessor in proprietorship to amend the Register of Trade Marks therefore was properly made pursuant to reg 26 of the Trade Marks Regulations 1983 ('the TMR 1983'). Once the registrar had exercised his discretion under reg 102 of the TMR 1983 and allowed the amendments, it was not right or proper to set aside the exercise of his discretion (see p 522G). B C

(5) The respondent should have inspected the register before applying for its trade mark on 18 February 1987. Had it done so they would have received the particulars of the applicant's trade mark and would have been able to act accordingly (see p 523E); *HTX International Pty Ltd v Semco Pty Ltd* (1983) 49 ALR 636 followed. D

(6) Even if the entry of the applicant's trade mark was bad, wrong or ought not to have been made, in the exercise of the discretion of the court, the applicant's registered trade mark would remain based on the following factors, namely: (i) the applicant and its predecessor were of good faith; (ii) they had genuine interest in the trade mark; (iii) the trade mark had been used from 1973 to date; (iv) the applicant had relied on the registrar's acceptance of its request for amendment; (v) there was no evidence of anyone deceived or likely to be deceived; and (vi) it was not in the public interest to rectify the mark as the public had been accustomed to the mark for over 20 years (see pp 523G–524D); *Phantom Trade Mark* [1978] RPC 245 followed. E F

(7) The respondent should not be allowed to raise the unpleaded issue of it being an honest and concurrent user under s 20 of the TMA 1976 on the grounds that: (i) it had not been pleaded; and (ii) there was no application for the amendment of its affidavits (see p 525C–D); *Anjalai Ammal & Anor v Abdul Kareem* [1969] 1 MLJ 22 followed. G

(8) The applicant as the registered proprietor of the trade mark had exclusive rights to the trade mark pursuant to s 35 of the TMA 1976. Furthermore, the first four trade marks exhibited in the respondent's affidavit were not registered trade marks but applications which were advertised in the Government *gazette*. The respondent had also failed to explain in its affidavits why the registered trade mark was non-distinctive. The device was not common to the trade as it had not been used prior to H I

A the applicant's use (see pp 525I–526B); *R Johnston & Co v Archibald Orr Ewing & Co* (1881–82) 7 App Cas 219 followed.

(9) The test of resemblance between two trade marks was not whether a person would be deceived when the two marks were placed side by side. In fact, the comparison rested with his B memory of the other trade mark as opposed to the one he saw before him (see p 528C–D).

(10) The identification of the essential features of a mark was in essence a question of fact. In this case, the respondent had taken the essential features of the applicant's mark, namely, the single elephant device, and expanded upon the caricature C to come up with a more realistic depiction, and the additional words did not in any way detract from the fact that the essential features of the mark were of an 'elephant' (see p 529C–D).

(11) Marks were remembered by general impressions or by some significant detail rather than by any photographic recollection D of the whole. In this case, although there was no exact imitation, there was infringement by the use of a mark that so nearly resembled the registered mark that it was likely to deceive the customer. It was sufficient if the customer had a general impression of the trade mark that was sufficient to cause him to purchase the products of the respondent with only the E memory of the applicant's elephant device. The two brands could easily be confused because they were so similar (see p 529F–I); *De Cordova v Vick Chemical Co* (1951) 68 RPC 103 followed.

(12) On the issue of delay by the applicant in executing the order, F the purpose of obtaining an ex parte order was to have an order ready to be able to execute as and when necessary. The need here arose when the raid became necessary. The order was a precautionary one and therefore there was no delay in executing the order (see p 531F–G).

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[Bahasa Malaysia summary

Pemohon adalah tuan punya berdaftar satu cap dagangan yang memperlihatkan lambang seekor gajah dalam satu lingkungan bujur ('cap dagangan tersebut'). Pemohon dan tuan punya terdahulu, GLT, H telah menggunakan cap dagangan itu untuk menjual beras dan barangan berkaitan dengan tepung beras sejak tahun 1986. Penentang pula telah mula menjual tepung beras yang memperlihatkan cap dagangan 'Cap Gajah Tunggal' dengan lambang 'gajah' dan telah memohon untuk mendaftarkan capnya pada 18 Februari 1987 dan telah menggunakan cap dagangan tersebut sejak tahun 1987. Pada I 21 Januari 1994, menurut perintah perihal dagangan bertarikh 11 September 1992 yang diperolehi oleh pemohon, pegawai-pegawai dari Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna telah menyerbu kilang penentang. Perintah tersebut adalah

supaya barangan yang mempunyai lambang 'gajah' yang tidak dikilangkan atau dijual atau dihasilkan oleh pemohon, dianggap sebagai perihal dagangan palsu di bawah Akta Perihal Dagangan 1972 ('APD 1972'). Penentang kemudiannya telah membuat permohonan dan telah dijadikan penentang di dalam tindakan ini. Di dalam kes ini, penentang telah memohon perintah bahawa: (a) penentang diberi kebebasan untuk membuat permohonan bagi membatalkan cap dagangan berdaftar pemohon dari Daftar Cap Dagangan; dan (b) perintah mahkamah bertarikh 11 September 1992 diketepikan. Penentang telah berhujah bahawa cap dagangan pemohon yang didaftarkan patut dibatalkan atau diketepikan kerana: (a) pendaftaran asal yang dibuat oleh pemohon telah diperolehi secara fraud di bawah s 37(a) Akta Cap Dagangan 1976 ('ACD 1976'); dan (b) terdapat larangan statutori lain terhadap catatan itu kekal dalam daftar. Secara alternatif, penentang telah berhujah bahawa sekiranya mahkamah memutuskan bahawa penentang gagal membuktikan kesnya untuk pembatalan, maka mahkamah berkuasa di bawah ACD 1976 untuk menggunakan budi bicaranya memberikan perintah berikut, iaitu: (i) deklarasi bahawa penentang adalah pengguna bersama yang jujur dan ikhlas akan cap dagangan berdaftar itu di bawah s 20 ACD 1976; dan (ii) syarat bahawa supaya cap dagangan tersebut dikekalkan di dalam daftar, pemilik berdaftar tidak berhak menuntut penggunaan eksklusif lambang 'gajah' kecuali di dalam keadaan seperti yang dinyatakan.

Diputuskan, menolak permohonan penentang dengan kos:

(1) Bukti terawal penentang mengenai penggunaan pertama cap tersebut adalah di dalam invois yang tidak merujuk kepada cap dagangan 'Cap Gajah Tunggal' tetapi kepada 'Cap Wang Emas'. Invois tersebut tidak membuktikan transaksi jualan yang lengkap kerana invois tersebut tidak diakui, dan tidak terdapat sebarang perintah hantar-serah. Sebaliknya, pemohon berjaya menunjukkan penggunaan pertama dan sebenar cap dagangan tersebut dengan mengemukakan bukti terawal jualan dalam bentuk invois yang telah ditera dengan permit pengangkutan yang sepadan dan pengakuan oleh penerima barangan tersebut (lihat ms 519C–E).

(2) Cap dagangan berdaftar pemohon pada semua masa yang material, sebelum 15 Oktober 1989, adalah hakmilik GLT, tuan punya terdahulu cap dagangan tersebut. Oleh kerana GLT telah melantik LAS (nama asal pemohon sebelum namanya ditukar kepada namanya sekarang) sebagai pengilang kontrak mereka, harta telah dipindahkan dari GLT kepada pemohon apabila satu penyerahhakan diikat dan direkodkan menurut s 47 ACD 1976 (lihat ms 519F).

(3) Fraud seperti yang dinyatakan dalam s 37 ACD 1976 seharusnya dan patut mencerminkan maksud biasa yang diberikannya dan menunjukkan kelakuan yang melibatkan

ketidakjujuran atau penipuan, melalui perkataan atau tindakan ataupun dengan peninggalan melalui perkataan atau tindakan. Ketidakjujuran tidak boleh dianggap semata-mata berdasarkan pengetahuan tentang kepentingan yang tidak didaftar. Kes-kes fraud adalah berdasarkan set faktanya yang tertentu (lihat ms 519I); *Farley (Aust) Pty Ltd v JR Alexander & Sons (Q) Pty Ltd* (1946) 75 CLR 487 diikut. Untuk kewujudan fraud, haruslah terdapat: (i) penipuan sebenar dan niat untuk menipu; (ii) kecederaan sebenar ataupun kecederaan yang mungkin disebabkan oleh penipuan; dan (iii) pengetahuan sebenar bahawa tindakan tersebut diharapkan dapat mencederakan jiran seseorang. Di dalam kes ini, penentang telah gagal menunjukkan ketiga-tiga unsur ini untuk membuktikan kesnya berdasarkan fraud (lihat ms 520G–I); *Bentley Motors Ltd v Lagonda Ltd* (1947) 64 RPC 33, *Monappa v Ramappa* AIR 1956 Mad 184 dan *Pinto v Bradman* (1891) 8 RPC 181 diikut.

(4) Seksyen 74(1) ACD 1976 yang memberikan kuasa kepada pendaftar untuk meminda dokumen bagi membetulkan kesalahan kerani ataupun kesilapan yang ketara tidak terpakai dalam kes ini kerana tiada kesalahan kerani ataupun peninggalan dan pindaan tersebut tidak menjejaskan identiti cap dagangan tersebut (lihat ms 522H–I). Permohonan oleh tuan punya terdahulu untuk meminda Daftar Cap Dagangan oleh itu telah dibuat dengan betul menurut peraturan 26 Peraturan-Peraturan Cap Dagangan 1983 ('PCD 1983'). Apabila pendaftar melaksanakan budi bicaranya di bawah peraturan 102 PCD 1983 tersebut dan membenarkan pemindaan, adalah tidak betul untuk mengetepikan pelaksanaan budi bicaranya (lihat ms 522G).

(5) Penentang patut memeriksa daftar sebelum memohon untuk cap dagangannya pada 18 Februari 1987. Jika penentang telah berbuat demikian, penentang akan mengetahui butiran cap dagangan pemohon dan dapat bertindak dengan sewajarnya (lihat ms 523E); *HTX International Pty Ltd v Semco Pty Ltd* (1983) 49 ALR 636 diikut.

(6) Biarpun jika kemasukan cap dagangan pemohon adalah tidak elok, salah ataupun sepatutnya tidak dimasukkan, dalam pelaksanaan budi bicara mahkamah, cap dagangan pemohon akan dibiarkan kekal berdasarkan faktor-faktor yang berikut, iaitu: (i) pemohon dan tuan punya sebelumnya bertindak secara ikhlas; (ii) mereka mempunyai kepentingan yang sejati dalam cap dagangan tersebut; (iii) cap dagangan tersebut telah digunakan dari tahun 1973 sehingga kini; (iv) pemohon telah bergantung kepada penerimaan pendaftar akan permintaannya mereka untuk pindaan; (v) tiada bukti bahawa sesiapa telah tertipu ataupun mungkin tertipu; dan (vi) ia tidaklah di dalam kepentingan awam untuk membetulkan cap tersebut kerana orang awam sudah biasa dengan cap tersebut selama lebih

daripada 20 tahun (lihat ms 523G–524D); *Phantom Trade Mark* [1978] RPC 245 diikut. A

(7) Penentang tidak patut dibenarkan membangkitkan isu yang tidak dijadikan pliding mengenai pengguna bersama yang jujur di bawah s 20 ACD 1976 atas alasan bahawa: (i) ia tidak diplidkan; dan (ii) tiada permohonan untuk pindaan afidavit-afidavitnya (lihat ms 525C–D); *Anjalai Ammal & Anor v Abdul Kareem* [1969] 1 MLJ 22 diikut. B

(8) Pemohon sebagai tuan punya berdaftar cap dagangan tersebut mempunyai hak eksklusif untuk menggunakan cap dagangan tersebut mengikut s 35 ACD 1976. Lagipun, keempat-empat cap dagangan pertama yang dieksibitkan di dalam afidavit penentang bukannya cap dagangan berdaftar tetapi permohonan yang telah disiarkan di dalam warta Kerajaan. Penentang telah gagal menjelaskan dalam afidavit mengapa cap dagangan berdaftar tersebut tidak mempunyai ciri-ciri tersendiri. Lambang tersebut adalah tidak biasa dalam perniagaan tersebut kerana ia tidak digunakan sebelum penggunaannya oleh pemohon (lihat ms 525I–526B); *R Johnston & Co v Archibald Orr Ewing & Co* (1881–82) 7 App Cas 219 diikut. C D

(9) Ujian keserupaan di antara kedua cap dagangan bukanlah sama ada seseorang akan tertipu bila kedua-dua cap dagangan diletakkan bersama-sama. Pada hakikatnya, perbandingannya adalah bergantung kepada ingatan seseorang tentang cap dagangan yang lain berbanding dengan cap dagangan yang dilihat di hadapannya (lihat ms 528C–D). E

(10) Pengenalan ciri-ciri asas sesuatu cap dagangan adalah pada dasarnya persoalan fakta. Di dalam kes ini, penentang telah mengambil ciri-ciri asas cap pemohon, iaitu lambang seekor gajah, dan melanjutkan karikatur tersebut untuk menjadikannya suatu penggambaran yang lebih realistik, dan penambahan perkataan di dalamnya tidak dalam apa carapun mengurangkan ciri-ciri asas cap tersebut iaitu seekor 'gajah' (lihat ms 529C–D). F G

(11) Cap pada biasanya diingati dengan tanggapan umum ataupun dengan butir yang ketara dan tidak secara keseluruhan melalui ingatan fotografik. Di dalam kes ini, walaupun tiada peniruan secara tepat, terdapat pelanggaran oleh penggunaan sesuatu cap yang hampir serupa dengan cap dagangan tersebut yang mungkin menyebabkan pelanggan tertipu. Adalah mencukupi jikalau pelanggan mempunyai tanggapan umum cap dagangan tersebut yang menyebabkannya membeli barangan penentang dengan mengingati lambang 'gajah' pemohon sahaja. Kedua-dua jenama itu senang dikelirukan kerana mereka adalah begitu serupa (lihat ms 529F–I); *De Cordova v Vick Chemical Co* (1951) 68 RPC 103 diikut. H I

(12) Mengenai isu kelewatan pemohon dalam melaksanakan perintah tersebut, tujuan mendapatkan suatu perintah ex parte adalah

supaya perintah itu sedia untuk dilaksanakan jika dan bila diperlukan. Keperluannya timbul apabila penyerbuan itu tidak dapat dielakkan lagi. Perintah tersebut adalah suatu langkah berjaga-jaga dan oleh itu tiada kelewatan dalam perlaksanaan perintah tersebut (lihat ms 531F–G).]

Notes

For a case on application for expungement on the basis of deception or confusion, see 12 *Mallal's Digest* (4th Ed, 1996 Reissue) para 1263.

For cases on offences under the Trade Description Act 1972, see 12 *Mallal's Digest* (4th Ed, 1996 Reissue) paras 1286 and 1288.

For a case on the registration of identical trade marks by different parties and whether there can be concurrent user of trade mark, see 12 *Mallal's Digest* (4th Ed, 1996 Reissue) para 1294.

For a case on registration of trade mark based on fraud, see 12 *Mallal's Digest* (4th Ed, 1996 Reissue) para 1276.

Cases referred to

Alfred Dunhill Ltd's Trade Mark Application [1992] RPC 145 (refd)
Anjalai Ammal & Anor v Abdul Kareem [1969] 1 MLJ 22 (folld)
Avery's Patent, Re (1887) 36 Ch D 307 (refd)
Bentley Motors Ltd v Lagonda Ltd (1947) 64 RPC 33 (folld)
De Cordova v Vick Chemical Co (1951) 68 RPC 103 (folld)
Durga Dutt Sharma v NP Laboratories 1965 AIR 980 (refd)
Farley (Aust) Pty Ltd v JR Alexander & Sons (Q) Pty Ltd (1946) 75 CLR 487 (folld)
GE Trade Mark [1973] RPC 297 (refd)
HTX International Pty Ltd v Semco Pty Ltd (1983) 49 ALR 636 (folld)
Hai-Ho Enterprise Bhd v Nguang Chan (a firm, intervening) [1992] 4 CLJ 1985 (refd)
John Crowther & Sons (Milnsbridge) Ltd, Re an application by (1948) 65 RPC 369
Monappa v Ramappa AIR 1956 Mad 184 (folld)
Phantom Trade Mark [1978] RPC 245 (folld)
Pinto v Bradman (1891) 8 RPC 181 (folld)
Pirie's Application (1933) 50 RPC 147 (refd)
R Johnston & Co v Archibald Orr Ewing & Co (1881–82) 7 App Cas 219 (folld)
Schweppes Ltd v E Rowlands Proprietary Ltd (1910) 11 CLR 347 (refd)
Seixo v Provezende (1866) LR 1 Ch 192 (refd)
Socooil Corp Bhd v Ng Foo Chong & Anor [1981] 2 MLJ 7 (refd)
Willesden Varnish Co Ltd v Young & Marten Ltd (1922) 39 RPC 285 (refd)

Legislation referred to

Rules of the High Court 1980 O 18 r 8(1)

Trade Descriptions Act 1972 s 16(1)
Trade Marks Act 1976 ss 3(1), 6(4)(c), 10, 14, 16, 17(1), 18, 20, 35, 36, 37(a), 45, 47, 55(1), 74
Trade Marks Regulations 1983 regs 26, 102

Karen Abraham (Shearn Delamore & Co) for the applicant.
Lim Chee Wee (Skrine & Co) for the respondent.

Cur Adv Vult

Kamalanathan Ratnam JC: Cheng Nam Long ('CNL') was a merchant trading as Sykt Gold Leaf Tea. He began trading in 1973 in tea, coffee, plastic goods, hardware and curry powder using the trade mark bearing an elephant device within an oval ('the trade mark'). As sales of his products, particularly tea, under the trade mark increased and Sykt Gold Leaf Tea acquired a reputation and goodwill in respect of the sale of tea bearing the trade mark, on 26 September 1977, he applied for the trade mark to be registered under the name of Cheng Nam Long as the proprietor of the trade mark in relation to the tea. As his business further grew, he decided to incorporate Sykt Gold Leaf Tea; and Gold Leaf Tea Enterprise Sdn Bhd was incorporated on 31 May 1979. Thus from that day onwards, Gold Leaf Tea Enterprise Sdn Bhd ('GLT') sold tea under the trade mark.

Sometime in 1986, he decided to use the trade mark to some other new products which included, inter alia, rice flour, vermicelli (noodles) and rice vermicelli (rice flour-related products). These rice flour-related products which were sold under the trade mark were manufactured by one of the companies belonging to CNL — namely, Leong Ah Sam Rice Mill Sdn Bhd ('LAS') — and were sold and distributed through GLT. Prior to 1986, LAS had been selling rice under several different trade marks. However, from 1986, LAS produced rice bearing the trade mark only.

In 1988, LAS was owned and controlled by another company belonging to CNL — namely, Teking Sdn Bhd ('TSB') by virtue of their majority shareholding in LAS. However, at all material times, CNL was the controlling shareholder of TSB.

On or about 15 May 1987, CNL decided that since he was selling rice under the trade mark through GLT, he ought to make some amendments to his trade mark application No M/76444. His application marked as exh T–7 to encl 5 was:

(a) to amend the name of the proprietor to Gold Leaf Enterprise Sdn Bhd; and

(b) to include goods — rice flour, vermicelli (noodles), rice vermicelli, snack food included in class 30, coffee and tea.

He was handed an empty TM 46 form which he filled up and filed at the Registry of Trade Marks at Kuala Lumpur. He believed that he had adopted the correct procedure in making this application to include the amendments because he had never received any letter of protest from the Registrar of Trade Marks that his procedure was incorrect or irregular or that it was not in accordance with trade mark law. He was issued a

registration certificate clearly verifying and certifying that GLT was the registered proprietor of the trade mark bearing the trade mark No M/76444.

Sometime in 1989, one Ng Tee Soo ('NTS') — a director of the applicant — indicated an interest in purchasing LAS. As TSB was the owner of LAS, a sale and purchase agreement was signed on 27 July 1989 whereby TSB sold LAS to NTS and to one Tan Ah Kow ('TAK'). On 25 October 1989, the name of LAS was changed to Tiga Gajah Cho Heng Sdn Bhd, the applicant herein.

Initially, CNL had intended that GLT maintain the proprietorship of the trade mark. However, since the applicant had intended to manufacture and sell the rice flour and related products under the trade mark, a registered user agreement between GLT and the applicant authorizing the latter to use the registered trade mark was signed on 18 April 1990; and on 15 July 1990, a deed of assignment between the same parties was signed in respect of the registered trade mark No M/76444 in class 30 of the International Classification of Goods in respect of the 'elephant' device used in connection with rice flour vermicelli (noodles) and rice vermicelli products. On 28 October 1991, the applicant was registered as the subsequent proprietor of the trade mark.

The respondent, on the other hand, began selling rice flour bearing the trade mark 'Cap Gajah Tunggal' with an 'elephant' device and had applied to register the same on 18 February 1987 in class 30 in respect of rice flour bearing pending trade mark No 87/00648 and had been using the said trade mark since 1987. On 21 January 1994, officers from the Ministry of Domestic Trade and Consumer Affairs — together with a representative of the applicant's solicitors' firm — raided the respondent's factory in pursuance of the trade description order dated 11 September 1992. The order is reproduced herewith:

DALAM MAHKAMAH TINGGI MALAYA DI KUALA LUMPUR
(BAHAGIAN DAGANG)

SAMAN PEMULA NO D6–24–175–92

DALAM PERKARA TIGA GAJAH CHO HENG SDN BHD yang beralamat di No 69 Maklom Jalan Pekan Darat, Sungai Dua, 13800 Butterworth, Pulau Pinang

Dan

DALAM PERKARA Seksyen 16(1) Akta Perihal Dagangan 1972

Dan

DALAM PERKARA Tanda Niaga Malaysia Berdaftar No M/76444 berkenaan dengan reka bentuk GAJAH dalam nama TIGA GAJAH CHO HENG SDN BHD

Tiga Gajah Cho Heng Sdn Bhd ... Pemohon

Di Hadapan Yang Arif Pesuruhjaya Kehakiman
Tuan T Selventhiranathan
Mahkamah Tinggi, Kuala Lumpur
Bertarikh 11 September 1992

Dalam Kamar

PERINTAH

ATAS PERMOHONAN Pemohon yang dinamakan di atas DAN SELEPAS MEMBACA saman pemula ex parte bertarikh 23 Jun 1992 dan afidavit Ng Tee Soo yang diikrarkan pada 23 Jun 1992 DAN SELEPAS MENDENGAR Sharifah Norizan Shahabudin, peguamcara pemohon, ADALAH DIPERINTAHKAN DAN DIARAHKAN bahawa:

1 Rekabentuk GAJAH sebagaimana diperihalkan dengan lebih jelas dan khususnya dalam jadual yang dilampirkan disini dan/atau rekabentuk lain yang serupa dalam warnanya atau mengelirukan, yang ditampalkan, dilekatkan atau kelihatan dalam apa-apa bentuk material ke atas barang-barang di antaranya tepung beras, vermiseli ('bee hoon') dan barangan vermiseli beras dan barang-barang yang berkaitan atau perihalnya yang serupa yang tidak dikilangkan, diedarkan, dijual, ditawarkan untuk penjualan atau diberikuasa untuk mengendalikannya oleh pemohon atau pengilang berlesen, pengedar atau penjual mereka akan dianggap sebagai suatu perihal dagangan palsu mengikut makna Akta Perihal Dagangan 1972.

Bertarikh 11 September 1992.

tt

.....
Penolong Kanan Pendaftar
Mahkamah Tinggi
Kuala Lumpur

The respondent then filed a summons (encl 6) wherein the following prayers were sought:

1 Bahawa Majuperak Tepung Beras Sdn Bhd hendaklah dimasukkan sebagai penentang dalam tindakan ini dan bahawa saman pemula hendaklah dipinda sewajarnya dengan menamakan Majuperak Tepung Beras Sdn Bhd sebagai penentang dan perkara-perkara prosiding ini hendaklah dipinda untuk memasukkan s 45 Akta Cap Dagangan 1976.

2 Bahawa pemohon, Tiga Gajah Cho Heng Sdn Bhd, hendaklah dalam masa 10 hari dari memberikan perintah ini menyampaikan kepada Majuperak Tepung Beras Sdn Bhd atau peguamnya, Tetuan Skrine & Co di alamat Bangunan Straits Trading, No 4 Leboh Pasar Besar, 50050 Kuala Lumpur, satu salinan saman pemula ex parte bertarikh 11 September 1992 berserta dengan salinan apa-apa afidavit dan atau apa-apa dokumen yang dieksibitkan padanya atau berkaitan dengan notis saman pemula tersebut.

3 Bahawa Majuperak Tepung Beras Sdn Bhd sebagai penentang kepada tindakan ini hendaklah diberi kebebasan untuk:

(a) memohon untuk memotong pendaftaran cap dagangan No M/76444 atas nama Tiga Gajah Cho Heng Sdn Bhd; dan

A (b) mengetepikan perintah mahkamah mulia ini bertarikh 11 September 1992 yang diperolehi oleh pemohon dalam tindakan ini.

4 Bahawa kos dan kos yang ditimbulkan oleh permohonan menjadi kos mengikut kausa.

5 Perintah lanjut atau perintah lain sebagaimana mahkamah mulia ini fikirkan sesuai.

B

On 8 February 1995, Abdul Malek J (as he then was) made an order in terms of prayers 1 and 2 with costs in the cause. The hearing of prayer 3 was adjourned at the parties' request to enable them to file further affidavits. The matter then came up before me on 8 January 1996 when the parties again requested for an adjournment to enable them to file further affidavits. C On 26 January 1996, objections were taken on the admissibility of affidavits filed by the applicant/respondent (encls 20 and 21) and after perusing the written submissions of both counsel, I admitted both enclosures when I gave my decision on 14 February 1996. There was no appeal against this decision.

D Both parties then provided me with written submissions in respect of prayer 3 of encl 6. The respondent launched its attack from various fronts, namely:

(1) whether there are grounds for the removal/expungement of the registered trade mark, namely:

E (a) whether the original registration was obtained by fraud (s 37(a) of the Trade Marks Act 1976 ('the TMA 1976'));

(b) whether there are other statutory prohibitions against the entry remaining in the register;

F (2) alternatively, should the court hold that the respondent has failed to establish its case for expungement, the court is empowered by the TMA 1976 to exercise its discretion and grant the following orders:

(a) a declaration that the respondent is an honest and concurrent user of the registered trade mark under s 20 of the TMA 1976; and/or

G (b) that the court impose as a condition for the registered trade mark to remain in the register, that the registered proprietor disclaim any right to the exclusive use of elephant in the registered trade mark except in the manner represented; and

(3) whether the elements under s 16 of the Trade Descriptions Act 1972 H ('the TDA 1972') have been fulfilled.

Removal/expungement of the registered trade mark

The respondent argued that the express words of s 45 of the TMA 1976 stipulates that *any person aggrieved* (emphasis added) by any entry made in I the register without sufficient cause or by any entry wrongfully remaining in the register may apply for such order for expungement or varying of the entry. Relying on the facts already stated, the respondent argued that it was an aggrieved person under that section.

It was pointed out to me that the preliminary words of s 37 of the TMA 1976 create a conclusive presumption of the validity of the original registration of a trade mark registered in Pt A after the expiration of seven years from the date of the original registration unless the original registration was obtained by fraud or that the trade mark offends s 14 of the TMA 1976 or that the trade mark was not, at the commencement of the proceedings, distinctive of the goods of the registered proprietor. However, it was conceded that where the expungement proceedings were in respect of an entry remaining on the register, then the conclusive provisions of s 37 of the TMA 1976 will not be available to cure the defect in the entry.

Referring to *GE Trade Mark* [1973] RPC 297 at p 323, the respondent argued that the House of Lords had held that prohibitory provisions in respect of entries remaining on the register were not limited to those which were expressed to give rise to the right of removal, but included those which made unlawful, the continued presence of the entry in the register. Therefore, the fact that in the present case before me the registered trade mark had been entered in the Register of Trade Marks for the last 19 years since 26 September 1977, did not limit its removal thereof.

FRAUD

Claim to proprietorship of the 'elephant' device

The respondent referred the court to s 37 of the TMA 1976 and argued that the section excluded the presumption of conclusive validity where the original registration was obtained by fraud and relied on *Farley (Aust) Pty Ltd v JR Alexander & Sons (Q) Pty Ltd* (1946) 75 CLR 487 at p 493, which interpreted fraud to include fraud on the Registrar of Trade Marks or other traders. It was then submitted that the burden of establishing fraud was not as heavy as that of criminal fraud. Rather, fraud here meant a conscious act by the trade mark applicant which is wrong at law, in order to obtain registration of his mark. It was urged upon me that the categories of fraud have not been closed. Reliance was also placed on the judgment of Mahadev Shankar J (as he then was) in *Hai-O Enterprise Bhd v Nguang Chan (a firm, intervening)* [1992] 4 CLJ 1985 at p 2001 which dealt with the case of a local importer who had registered the mark of his principal and wherein his Lordship held that the circumstances therein did justify the finding of fraud.

Under s 10 of the TMA 1976, it was submitted by the respondent that for a trade mark to be registrable in Pt A of the register, it shall contain at least one of the following particulars:

(a) the name of the individual, company or firm represented in a special or particular manner;

(b) the signature of the applicant for registration or of some predecessor in his business;

(c) an invented word or words;

(d) a word having no direct reference to the character or quality of the goods; and

A (e) any distinctive mark.

It was submitted that the trade mark in the present case did not consist of any words but only an elephant device within an oval. The respondent exhibited a list of trade mark searches conducted on the 'elephant' trade mark in class 30 in Malaysia and showed four registered trade marks that B had been registered in class 30 prior to the trade mark in dispute, of which four registered trade marks contained the 'elephant' as a device for the period from 1954–1958. It was therefore forcefully submitted that the applicant could not claim to be proprietor of the 'elephant' as a device.

Based on the factual averments, the respondent submitted that the C applicant only started using the trade mark on the said products, if at all, since January 1988 whereas the respondent had begun using its trade mark with an 'elephant' device since May 1987.

Misrepresentation to the registrar

D It was submitted that there was misrepresentation to the registrar in that CNL had averred that he initially traded as a sole proprietor in goods other than flour and its related products, using the trade mark and had sought to register the trade mark with himself as the proprietor. He then proceeded to request for a change in the proprietorship from himself to the private company, GLT, on 15 May 1987 even though there was no proper E assignment of the trade mark with goodwill from the individual to the private company. At that material time, the trade mark was still pending registration and therefore only common law proprietorship could be claimed in respect of the mark during that period. However, based on *Pinto v Bradman* (1891) 8 RPC 181, the respondent submitted that at common F law, there must be an assignment with goodwill before the subsequent proprietor could claim a valid title to the trade mark. In the present case, it was submitted that there was at law a valid assignment if at all between CNL and GLT in order for the latter to be able to contend that it was the proprietor of the trade mark pending registration at that time. It was the contention therefore of the respondent that CNL, the applicant, had G misrepresented to the registrar that GLT was the proprietor when at law, CNL was still the proprietor.

On this question of fraud alone, it was urged upon me that I should exercise my discretion and perform expungement of the trade mark.

The applicant replied under the same heading. In launching its H attack against the allegation of fraud, the applicant averred that its predecessor, CNL, applied for the trade mark on 26 September 1977 and sought permission from the Registrar of Trade Marks to amend the name of the proprietor to Gold Leaf Tea Enterprise Sdn Bhd and the specification of goods by way of Form TM46. On 15 May 1987, the Registrar — having I amended the application — issued the registration certificate in the name of Gold Leaf Tea Enterprise Sdn Bhd. The applicant then conducted a search to ascertain the particulars of the mark prior to obtaining the trade description order which search revealed that the applicant's predecessor

was GLT and no other. This transfer of the 'elephant' mark from CNL to GLT was what had been alleged to be the fraud.

The applicant argued that to establish fraud pursuant to s 37 of the TMA 1976, the respondent had to establish an element of dishonesty although conceding that the burden here was not as heavy as that of criminal fraud. In support of this proposition, I was referred to *Re Avery's Patent* (1887) 36 Ch D 307 where Stirling J held that in the absence of conduct involving dishonesty or grave moral culpability on the part of the person obtaining the patent, he was not prepared to find fraud on the part of the patentee 'but that at the very worst he had committed an honest blunder'. The applicant further referred me to *Bentley Motors Ltd v Lagonda Ltd* (1947) 64 RPC 33 wherein Roxburgh J said at p 75:

> ... in my judgment, a claimant who sets out to say that registration was obtained by fraud must allege some actual deception by word or deed, or some omission by word or deed ... .

The applicant pointed out that the respondent had failed to show that the applicant had knowledge of any other party using a similar trade mark prior to 1977 when the applicant applied for the trade mark.

With regard to the respondent's reference to the four registered trade marks exhibited in T9 of encl 11, the applicant pointed out that far from being registered trade marks, the four trade marks annexed were mere advertisements of the pending applications in the Government *gazette* and that the purported evidence was of trade mark which had not achieved registration status.

It was further submitted that the mere evidence of the trade marks containing 'elephants' as devices entered on the Register of Trade Marks without evidence of use is of little or no value. Reliance was placed on *Willesden Varnish Co Ltd v Young & Marten Ltd* (1922) 39 RPC 285 wherein Sargant J said at p 288:

> The plaintiff cannot establish infringement unless the registered device has been actually taken having regard to the use of 'sun' devices by other traders.

And at p 289:

> There is no evidence of the use of the words 'Sun Brand' before 1896.

And at the same page:

> The fact that the mark is on the register is not evidence that the mark has been used. I ought not to allow this evidence, but the defendants may give evidence of registration as regards marks of which evidence of user has been given.

The applicant contended that the respondent had merely referred to entries in the register without showing evidence of user.

Referring to the allegation of use by the respondent of the 'elephant' device since May 1987, the applicant submitted that the respondent had confused the applicant herein with LAS which had existed earlier. It was

pointed out that the entries of the debtors and creditors were that of the applicant's predecessor and not that of the applicant. The applicant pointed out that the factual evidence showed that prior to the change of name from LAS to the applicant, LAS traded in the said goods bearing the trade mark and that as LAS was acquired by NTS on 27 July 1989, he had changed the name from LAS to the present applicant on 15 October 1989 and therefore the applicant sold the said goods bearing the trade mark after that date. It was pointed out to me that the respondent, in an attempt to challenge the evidence produced, had adduced what purported to be its earliest piece of evidence of sale of the 'Cap Gajah Tunggal' trade mark as evidence of its first use of the mark. However, it is to be noticed that the invoices adduced do not refer to the trade mark 'Cap Gajah Tunggal' but to 'Cap Wang Emas'. Further, all invoices were written in Chinese characters, nor were they acknowledged nor were there any delivery orders. They did not therefore reflect evidence of complete sale transactions. However on the contrary, the applicant's earliest evidence of sale as disclosed in the form of invoices, commenced in January 1988 and the said invoices were stamped with the corresponding transport permit and they were also stamped by the recipient of the goods. To my mind, the evidence collectively established complete sale transactions unlike any of the evidence which the respondent had adduced.

I therefore find that the applicant had succeeded in illustrating the first and actual use of the trade mark by the issuance of the invoices followed by the corresponding transport permit to transfer the said goods and the acknowledgement by the recipient of the said goods.

I have further considered whether the applicant could rely on its predecessor's use of the trade mark to claim proprietorship. Having reviewed the facts as narrated earlier, I find that the applicant's registered trade mark was, at all material times prior to 15 October 1989, the proprietary right of GLT. Since the company appointed LAS as their contract manufacturers, the property therefore passed from GLT to the applicant when the assignment was entered into and recorded pursuant to s 47 of the TMA 1976.

Coming to the issue of fraud, I hold that fraud as stated in s 37 of the TMA 1976 must and ought to reflect the ordinary meaning ascribed to it and therefore show conduct involving dishonesty or deception, by word or deed or omission by word or deed. The dishonesty must not be assumed solely by reason of knowledge of an unregistered interest.

It is not right in my view to give examples as to what may constitute fraud by way of illustrative hypothetical conditions because each case must depend upon its own specific set of facts. I am fortified in the view that I hold by relying on *Farley (Aust) Pty Ltd v JR Alexander & Sons (Q) Pty Ltd* (1946) 75 CLR 487, wherein Williams J said at p 492:

> Prima facie the words of a statute should be given their ordinary grammatical meaning. The ordinary meaning of fraud involves 'dishonesty or grave moral culpability' (see *Re Avery's Patent*).

It is to be noted that the TMA 1976 does not define fraud. However, three elements seem to co-exist to establish fraud. In *Bentley*'s case, the court found the need to allege some actual deception when relying on fraud. In the Indian case of *Monappa v Ramappa* AIR 1956 Mad 184 at p 188, the court held as follows:

> A practically conclusive test as to the fraud practised in trade mark cases would be: did the author of the deceit derive any advantage from it which he would not have had if the truth had been known? If so, it is hardly possible that the advantage should not have had an equivalent in loss or risk, loss to someone else; and if so there was fraud.

It is to be noted that on appeal, the decision was reversed but the finding on fraud was not disturbed (see AIR 1957 Mad 76). It would seem from the text of this judgment that for fraud to manifest itself, there must be either actual injury or possible injury by means of deceit or secrecy. The third element seems to arise from the case cited by the respondent himself. In *Pinto v Badman* (1891) 8 RPC 181, Day J said at p 184:

> ... Now the question of fraud depends upon whether a person with knowledge has done that which he must have known was calculated to injure his neighbour. It is not necessary that a person should sit down and say to himself, 'I propose to defraud my neighbour,' but if a man of common sense and intelligence, knowing his neighbour's right, sets to work to do things which are necessarily calculated to injure him, he must be taken to be guilty of fraud, that is to say, of knowingly injuring his neighbour — knowingly violating his neighbour's rights by some false pretence.

It must be noted that although the Court of Appeal allowed the defendant's appeal, it was only allowed on the issue of assignment of the trade mark. The finding of injury to a neighbour was left untouched. What therefore emerges from these cases is the crystallization of three elements to co-exist in establishing fraud in respect of s 37 of the TMA 1976.

For fraud to subsist, there must be:

(1) an actual deception and intention to deceive;

(2) an actual injury or possible injury by means of deceit; and

(3) actual knowledge that the act was calculated to injure one's neighbour.

In the present case before me, the respondent had significantly failed to show the three elements set out above in order to found its case on fraud.

The respondent's reference to *Hai-O Enterprise Bhd* does not assist him. In that case at p 2002, Shankar J (as his Lordship then was) found that the applicant had knowledge of prior use of a mark by another and had 'misled the registrar'.

I therefore hold that the respondent has not established fraud in this case. To obviate a false statement being categorized as fraudulent, it must be shown that there must be an honest belief in its truth. In the present case, the applicant had conducted a search of the Trade Marks Register to ascertain the status of the trade mark. The applicant acted upon the honest belief in the truth of the search that he made. It is therefore my finding that

A CNL's request for permission from the Registrar of Trade Marks to amend his application to reflect the name of his incorporated company is reasonable and cannot be held to constitute fraud.

Regarding the respondent's submission that the absence of assignment of the registered trade mark from CNL to GLT constituted
B misrepresentation, the applicant in reply referred to s 55(1) of the TMA 1976 which clearly stated that the transfer of title of a trade mark is not by way of assignment alone and that the title may also be transferred by way of a transmission which is defined by s 3(1) of the TMA 1976 as 'any other mode of transfer not being assignment'. I found that, in any event, at the time CNL applied to amend the name of the proprietor to GLT, the trade
C mark in question was still pending and had not reached registration stage and s 55(1) in dealing with assignment states that a *registered trade mark* shall be assignable (emphasis added).

In response to the contention that there was misrepresentation to the registrar, the applicant argued that since the basis of the respondent's case
D was anchored on fraud, the element of dishonesty ought to have been established. I cannot help but agree. Further, I would add that when such a serious allegation was made, it was the duty of the respondent to show either dishonesty or a deliberate conscious act to mislead the registrar. None was shown to me.

E

WHETHER THERE ARE OTHER STATUTORY PROHIBITIONS AGAINST THE ENTRY REMAINING ON THE REGISTER

Amendment of application for registration

F The respondent relied on s 74 of the TMA 1976 whereby the registrar might on such terms, permit the correction of an application for the registration of a trade mark unless the amendment would substantially affect the identity of the trade mark as specified in the application before the amendment. The respondent relied on *Re an application by John Crowther & Sons (Milnsbridge) Ltd* (1948) 65 RPC 369 where it was held that there
G were a number of factors to consider before allowing any application to expand the scope of the class of goods in relation to which the trade mark was registered. It was submitted that the rationale for this requirement was for the protection of third parties who relied on searches of the register in order to discover whether the trade mark which they intend to use would infringe any existing or pending application for registration.

H

The respondent submitted that CNL had applied for registration of the trade mark on 26 September 1977, which remained unregistered until at least 15 May 1987 when CNL requested for permission to amend the application. The proposed amendments were in respect of the proprietor and the class of goods over which the trade mark was to be registered.
I However, it was submitted that prior to the request of CNL, the respondent had filed its application for registration of the 'Cap Gajah Tunggal' mark on 18 February 1987. Under the circumstances, it was urged upon me that the respondent would never have known during this period of uncertainty

that the applicant had intended to register its trade mark over the same class of goods as did the respondent on 18 February 1987. Had the applicant filed a fresh application for amendment, the registrar would have been able to exercise his discretion as to whether to advertise the application for amendment, which then would have allowed a third party to object to the application. If this procedure had been followed, the respondent who had filed its application over the same class of goods prior to the request for amendment would have been able to object to the same. Therefore, it was submitted that the amendment had greatly prejudiced the respondent. It was further submitted that the changes requested by the applicant were such that they had substantially affected the identity of the trade mark since there were fundamental changes to the alleged proprietor and the class of goods over which the trade mark would be connected to in the course of the trade. It was also submitted that there was undue delay on the part of CNL in requesting for the fundamental amendments without any explanation for the delay which had greatly prejudiced the respondent.

In answer to the respondent's contention that the amendment sought was prohibited by s 74 of the TMA 1976, the applicant referred me to reg 26 of the Trade Marks Regulations 1983 ('the TMR 1983') which merely directs that an application to amend the application for the registration of a trade mark shall be made on Form TM 46 and shall be signed by the applicant or his agent. Since the provision is a general one relating to any amendment, it was submitted that the application was properly made. Further, I was also referred to reg 102 of the TMR 1983 which empowers the registrar with the discretion to amend any document in the interest of any person. It was further submitted that s 74 of the TMA 1976 referred to the identity of the trade mark and not to the identity of the proprietor or applicant of the trade mark in question.

I find that the application to amend was properly made pursuant to reg 26 of the TMR 1983. I also find that the registrar, having exercised his discretion under reg 102 of the TMR 1983 in allowing for the amendment, it was not right or proper and more so without any explanation from the registrar to set aside the exercise of his discretion. Coming to s 74 of the TMA 1976, sub-s (1) grants the registrar the power to amend documents for correcting clerical errors or obvious mistakes. That is not the case here. Section 74(2) qualifies the power granted and the relevant provision is as follows:

> An amendment of an application shall not be permitted ... if the amendments would substantially affect the identity of the trade mark ... .

Since the subsection deals with amendments relating to the identity of the trade mark in question and not to the identity of a proprietor or applicant of the trade mark in question, I rule that s 74 of the TMA 1976 does not apply to the instant case as there had been no clerical mistake or omission and the amendment here did not affect the identity of the trade mark.

As to whether CNL who was trading as Sykt Gold Leaf Tea and with the trade mark could subsequently alter the name to Gold Leaf Tea Enterprise Sdn Bhd and thereby use the same trade mark, I refer to a

passage from *Kerly's Law of Trade Marks and Trade Names* at p 213 paras 11–86 which reads:

> *Instances of alterations*
>
> Amongst the alterations allowed in reported cases under the repealed Acts are the addition of *limited* to the name ... the substitution of the initials of the new name of a limited company for those of its former name; the substitution of certain words so as to change the old name of a limited company to its new name, that name not being printed in a particular or distinctive manner. (Emphasis added.)

I therefore hold that amendment to the name of the proprietor of the trade mark is acceptable.

With regard to the objection by the respondent to the amendment to the specification of goods, the applicant referred me to s 17(1) of the TMA 1976 which allows the registration of all trade marks in respect of any or of all goods comprised in a prescribed class of goods, and rice flour, flour, tea and coffee fall within class 30 of the International Classification of Goods and Services. It is my finding that pursuant to s 17(1), the applicant is not prohibited from registering all the goods in one class.

With regard to the issue raised by the respondent that from the time the mark is applied for till the mark is finally registered, being a period which allows the Registrar of Trade Marks to examine the mark, and which period was termed as a period of uncertainty, I hold that the respondent should have inspected the register before applying for its trade mark on 18 February 1987. Had they done so, they would have received the particulars of the applicant's trade mark and would have been able to act accordingly. In fact, in *HTX International Pty Ltd v Semco Pty Ltd* (1983) 49 ALR 636 at p 644, Fox J said:

> ... encouragement should not be given to the trader who fails to search it ... [referring to a trade mark].

In any event, even if I were to hold that the entry was bad, wrong or ought not to have been made — which in this case I do not propose to do — I can no doubt rely on *Phantom Trade Mark* [1978] RPC 245 and exercise my discretion, having regard to all the circumstances of the case, to permit the applicant's registered trade mark to remain. In *Phantom*'s case, Sir David Cairns Buckley LJ said at p 251:

> If I had reached a different conclusion and had come to the view that the entries were initially wrong and ought not to have been made, nevertheless it is clear that the court has a discretion on an application for rectification, and even where the initial entry was contrary to an express prohibition in the statute, the court, once it has been made, may, having regard to all the circumstances, permit it to remain. In the present case, I would have thought that the reasons advanced by Colt for exercising that discretion in favour of allowing the entry to stand, are such that if it were necessary, we ought so to exercise our discretion. He relied first upon the good faith of Colt; their genuine interest in the mark; that the use of the mark has continued to this day; that the parties have to rely upon the practice of the registrar, which Colt did; that there was no evidence that there was anybody

deceived or likely so to be; that it was not in the public interest to rectify the Register; and that Chrysler had now completely lost interest in the whole matter. For these reasons, had I reached the conclusion that the entry was bad, for my part I would, in the exercise of discretion, nevertheless allow it to stand.

Applying the rationale of *Phantom*'s case to the instant case, I find the following similarities:

(i) the good faith of the applicant and its predecessor;

(ii) the genuine interest in the mark;

(iii) the use from 1973 to date;

(iv) the applicant's reliance on the registrar's acceptance of its request for amendment;

(v) the evidence of anyone deceived or likely to; and

(vi) it is not in the public interest to rectify the mark as the public have been accustomed to the mark for over 20 years.

HONEST AND CONCURRENT USER

Alternatively, the respondent prayed for a declaration that it was an honest and concurrent user of the trade mark under s 20 of the TMA 1976, which section permits the registration of an identical or closely resembling trade mark to one already registered, read together with s 6(4)(c) of the TMA 1976 subject to such conditions, amendments, modifications or limitations if any, as the court or the registrar may impose. I was referred to *Pirie's Application* (1933) 50 RPC 147, where the House of Lords had established that honesty of the user and the period of time of use of the relevant trade marks by both parties ought to be the two applicable tests. It was thus submitted that there was no evidence before me which suggested that the respondent was not honest in its use of the 'Cap Gajah Tunggal' mark; and in respect of the extent of use, both parties herein have been using the marks from about 1987 or 1988 onwards. In any event, it was urged upon me that there was no evidence of confusion and inconvenience. It was therefore submitted that the respondent be permitted to register its trade mark under s 20 of the TMA 1976 on the basis of concurrent use.

In reply, Ms Karen Abraham for the applicant argued that the claim of honest and concurrent user had not been pleaded nor raised as a defence nor claimed in the affidavits supporting its application in the originating motion. She argued that the respondent could not now raise a matter which ought to have been specifically pleaded. The various law journals are replete with authorities on this issue and I do not propose to cite any. The claim which the respondent seeks to raise is a statutory claim under s 20 of the TMA 1976. A party relying on statutory provisions must plead the same. The respondent has also, in my view, not complied with O 18 r 8(1) of the Rules of the High Court 1980 which deals with the required particulars that need to be pleaded. The fresh claim of honest concurrent user raised at this stage will definitely take the applicant by surprise. It is surprising that even before this point was argued, there was no attempt to ask the court for leave to amend.

A The applicant argued that the claim of honest concurrent user raises issues of fact which have not been pleaded nor previously dealt with. The issue also evokes for the first time, the question of whether the respondent has honestly used the mark and the instances for confusion proved and/or inconvenience caused by allowing the registration. These issues have not been responded to by the applicant.

B

In my considered judgment, the respondent ought not to be allowed to raise this unpleaded issue of honest concurrent user both on the grounds that it had not been pleaded and that no application for amendment had been applied for. I am further guided by the salutory advice of the Federal Court in *Anjalai Ammal & Anor v Abdul Kareem* [1969] 1 MLJ 22 where C MacIntyre FJ said at p 25:

> ... the learned trial judge, in the instant case, had departed from the strict rules of procedure, in deciding the case on an issue not raised in the pleadings and on the assumption of a fact which the applicants were not obliged to call evidence to rebut.

D

CALL FOR A DISCLAIMER

Section 18 of the TMA 1976 allows the court — when it is deciding whether the registered trade mark shall remain in the register — to require, as a condition of its being upon the register, that the applicant shall E disclaim any right to the exclusive use of which the registrar or the court holds him not to be entitled, where the trade mark contains matter which is common to the trade or business or is not distinctive.

The respondent referred me to *Alfred Dunhill Ltd's Trade Mark Application* [1992] RPC 145 at p 150, where it was held that where a mark F consists essentially of a single letter of the alphabet, it will almost inevitably be known and referred to simply as the letter, so that a disclaimer of the letter would mean disclaiming any exclusive right to what is effectively the whole mark and thus be a negation of the exclusive right which the Act confers upon a registered proprietor. This case was meant to illustrate that the wording of a disclaimer is important. It was thus urged upon me that G in the instant case there was evidence that the elephant device was common to the trade as shown in exh T9 in encl 11 with more than a dozen such marks registered or pending registration for class 30 goods. Further, it was urged that the 'elephant' should not be allowed to be dealt with as a trade mark exclusively by the applicant since in the Asian culture, the elephant H possesses a spiritual understanding to the various races. It was therefore urged upon me to impose a disclaimer on the trade mark that the applicant disclaim any right to the exclusive use of the 'elephant' in the registered trade mark except in the manner represented.

In response to the respondent raising the issue of disclaimer on the basis that the trade mark was common to the trade, the applicant submitted I that it was the registered proprietor of the trade mark No M/76444 and that pursuant to s 35 of the TMA 1976, the registration of the mark shall be deemed to have given the applicant as registered proprietor of the trade mark, the exclusive right to the use of the trade mark and that pursuant to

s 36 of the TMA 1976 the fact that the applicant is registered 'as proprietor of the trade mark shall be prima facie evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof'. I agree. Further, it is appropriate at this juncture to note that the first four trade marks exhibited in the affidavit are not registered trade marks but applications which are advertised in the Government *gazette*. I refer to *R Johnston & Co v Archibald Orr Ewing & Co* (1881–82) 7 App Cas 219, where the use of 'elephants' in labels of the same sort of products by other traders was held to be common. However, despite the use of 'elephants' being 'common to the trade', it was held by Lord Blackburn that in the market, the goods were known as '2-elephant' products as in the mind of the purchaser, this was the characteristic feature of the trade mark. The respondent has not explained why the registered trade mark is held to be non-distinctive in its affidavits. In its reply to the applicant's submission, the respondent repeated its reliance on s 18 of the TMA 1976 and argued that the applicant had not replied to s 18. To my mind, the applicant had clearly addressed its mind to s 18 of the TMA 1976 when it submitted that the respondent had failed to condescend to particulars by failing to explain or adduce evidence why the registered trade mark was held to be non-distinctive. Based on the facts herein, I deny the respondent's request that the applicant disclaim its rights to the device of an 'elephant'. I hold that the applicant as the registered proprietor of the trade mark has exclusive rights to the trade mark pursuant to s 35 of the TMA 1976. I also find that the device was not common to the trade as it had not been used prior to the applicant's use. From exh T9 of encl 11, it seemed obvious that the device of an 'elephant' had been applied for substantially, after the applicant had applied for its name.

Setting aside the ex parte trade description order dated 11 September 1992

It was argued by the respondent that under s 16 of the TDA 1972, the applicant was only entitled to the order of 11 September 1992 if it could show the court that its registered trade mark had been infringed by the respondent in using a mark which was so nearly resembling the trade mark as was likely to cause deception or confusion. It was further submitted that the court would look at the two marks in question and consider their look and all such other surrounding circumstances. In respect of devices, the court would consider the whole mark or design on the goods and where the alleged infringing mark is accompanied by a plain statement that the goods are those of the owner and not that of the other trader, the court would not hold that there was infringement. It relied on the decision of *Schweppes Ltd v E Rowlands Proprietary Ltd* (1910) 11 CLR 347 at p 353. It was further submitted that in the instant case, the marks in question are not similar so as to lead to confusion. It was pointed out that there was no averment by any third party that the 'Cap Gajah Tunggal' mark led him to be confused. The distinguishing factor would of course be the large words on the mark and the fact that the 'elephant' device is a full drawing of the elephant, unlike that of the trade mark. Therefore, it was argued that the

A order was wrongly executed against the respondent and should be set aside. The respondent therefore prayed for order in terms of prayer 3 of encl 6.

In reply, the applicant argued that the order was valid and subsisting. Counsel referred me to *Socooil Corp Bhd v Ng Foo Chong & Anor* [1981] B 2 MLJ 7 where at p 8, Lee Hun Hoe CJ (Borneo) held that:

> ... a person seeking to obtain order under the said section [referring to s 16 of the TDA 1972] needs to show two things, namely:
>
> (a) that he is the proprietor of a registered trade mark; and
>
> (b) that some other person is infringing that registered trade mark in the C course of trade.

On appeal to the Privy Council, Lord Templeman — in delivering the judgment of the Board — repeated the above requirements (see *Socooil Corp Bhd v Ng Foo Chong & Anor*).

The next question to consider is whether the respondent's trade D mark is identical to or closely resembling the applicant's trade mark. The applicant submitted that the respondent's mark is identical to or closely resembling the applicant's mark after applying the correct tests for device marks and not word marks.

The applicant declined to accept the tests expounded by the E respondent when comparing devices on the basis of incompleteness. Since the offending mark in question is a device mark as opposed to a mere word mark, it was submitted by the applicant that a different set of tests should have been applied in assessing whether or not there was an infringement of the applicant's trade mark. Counsel relied on *Kerly's Law of Trade Marks and Trade Names* (12th Ed, 1986) at p 439 and summarized the elements F to be taken into account as follows:

(1) the idea of the mark;

(2) the elements of the mark taken as a whole;

(3) imperfect recollection;

G (4) ear as well as eye to be considered; and

(5) variations might well be supposed to be made by owners.

In fairness to counsel for the respondent in his reply, he conceded to these tests as stated in *Kerly*'s. However, he disagreed with the application of the tests to the facts of the case.

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THE IDEA OF THE MARK IS TO BE REGARDED

The applicant argued that when both the marks of the respondent and the applicant are placed side by side, even if it is held that they do exhibit many similar features with minor variations (for example, the respondent's I mark has a detailed drawing of an elephant and the applicant's was a caricature), the main idea left on the mind by both is the same, namely the 'elephant' brand. It was further submitted that any purchaser who was acquainted with the applicant's mark may well be deceived by the presence

of the respondent's mark on similar goods especially since there is invariably no opportunity to have the two marks sitting side by side for comparison. The respondent in its reply submitted that it could not be doubted that the similarity of idea between the two marks would certainly mean that there is similarity between the marks. The idea of an 'elephant' is very common indeed to class 30 goods. In the circumstances, it was argued that there was no likelihood of deception and that therefore the order should be set aside on this ground.

I find that the test of resemblance is not whether a person could be deceived when the two marks are placed side by side. In fact, no trader can adopt a trade mark so nearly resembling that of another trade mark that a person purchasing with ordinary caution is likely to be misled though he would not be misled if he saw the two trade marks side by side. I must also remember that a purchaser of that item would not ordinarily have an opportunity of comparing the two marks side by side. His comparison rests with his memory of the other trade mark as opposed to the one he sees before him.

THE ELEMENTS OF THE MARK TAKEN AS A WHOLE

The applicant relied on *Durga Dutt Sharma v NP Laboratories* 1965 AIR 980 at p 990 to support the argument that the purpose of comparison was to determine whether the essential features of the applicant's trade mark were found to be adopted by the respondent. It was also submitted that the applicant's mark is infringed by the respondent if, even without using the whole of it upon or in connection with their own goods, it uses one or more of the essential features (see *De Cordova v Vick Chemical Co* (1951) 68 RPC 103). Counsel further augmented her case by relying on the views expressed by Lord Cranworth LC in *Seixo v Provezende* (1866) LR 1 Ch 192 at p 197 and submitted that as the goods of the applicant have, from the device of the 'elephant' used, become known in the market, the adoption by a rival trader of any mark which will cause his goods to bear the same name in the market shall be deemed to be a violation of the rights of the applicant. In reply, the respondent urged that since one is a caricature and the other the actual depiction of the elephant, there could not be any similarity and relied on *Schweppes's* case.

I find that the reliance of the respondent on *Schweppes*'s case that the mark accompanied by a plain statement showing that the goods are that of the respondent and that therefore there can be no infringement is not acceptable in this case. I cite the exact words of Griffith CJ in relation to this at p 353:

> ... But I think that the words 'so nearly resembling it as to be likely to deceive' involve a consideration of the whole of the marks or designs upon the defendants' goods. If, for instance, the mark or representation on the defendants' goods, which, if it stood alone might be likely to deceive the unwary purchaser, were accompanied by a plain statement practically incorporated with it showing that the goods are the defendants' goods and not the plaintiffs', I think that the mark used by the defendants, not being

> substantially identical, could not be said so nearly to resemble the plaintiffs' registered trade mark as to be likely to deceive.

The key words in the views expressed by Griffith CJ are 'the mark used by the defendants, not being substantially identical.' To my mind, when a purchaser intends to buy the applicant's brand, the plain statement below the mark 'Cap Gajah Tunggal' could not be considered the deciding factor. Further, I do not consider that there is any substantial difference between the two marks. I have in any event held so in the earlier part of my judgment. The plain statement below the mark is nothing more than what it is — plain words. In the context of our society and thus expecting purchasers to look specifically for such distinguishing marks is putting too high a burden on the applicant. The identification of the essential features of the mark is in essence a question of fact. I find that the respondent has taken the essential features of the applicant's mark, namely the single elephant device, and merely expanded upon the caricature to come up with a more realistic depiction and the additional words, in my finding, do not in any way detract from the fact that the essential features of the mark are that of an 'elephant'.

IMPERFECT RECOLLECTION

The applicant argued that it is the imperfect recollection and/or recollection merely of the essential features of the 'elephant' device that will be left in the mind of the purchaser. The respondent in reply contended that there was no deception. In fact, it was submitted that the existence of the words 'Cap Gajah Tunggal' would mean that customers of rice flour would remember the respondent's goods as 'Cap Gajah Tunggal'. But this, as I have found earlier, need not be so and I am fortified in my view by referring to Lord Radcliffe in *De Cordova v Vick Chemical Co* (1951) 68 RPC 103 at p 106 when he said:

> ... It is more useful to observe that in most persons, the eye is not an accurate recorder of visual detail and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole.

Unlike the respondent who contended that the significant detail referred to by Lord Radcliffe ought to refer to the words below the mark, I find that the words 'Cap Gajah Tunggal', far from being the significant detail, clearly detracts from the significance. I further find that there is infringement even though there is no exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive the customer; and it is sufficient if the customer has a general impression of the trade mark sufficient to cause him to purchase the products of the respondent with only the memory of the applicant's elephant device.

EAR AS WELL AS EYE TO BE CONSIDERED

The applicant argued that the respondent's mark may give rise to reference to a mark of the same description, that is the 'elephant brand' which

suggests the applicant's mark. It was also their submission that rice flour, being a common product, is widely used in Malaysia. The average Malaysian consumer is therefore acquainted with it. Since rice flour is comparatively cheap, it is unlikely that the consumer would spend much time scrutinizing the trade mark, much less the wording of it. In reply, the respondent argued that the plea that the applicant's registered trade mark may be referred to as the 'elephant brand' was pure conjecture in the absence of evidence from customers by way of affidavits. However, after raising the issue of lack of evidence on the part of the applicant in respect of the submission of the 'elephant brand', the respondent then proceeded to argue that since the applicant had changed its name to 'Tiga Gajah' sometime in 1989, there was therefore now a likelihood that the applicant's products would be referred to as 'Tiga Gajah' rather than the 'Elephant Brand'. I was invited to draw such an inference. In my mind, this submission lacks the sting it was intended to have. It does not behove the respondent to approbate or reprobate. In the light of the respondent's submission, I take it that the respondent was clearly of the view, notwithstanding the lack of affidavit evidence from customers, that it was still open to this court to find whether the public's conceptual view of the applicant's product could be taken as the 'elephant brand' or the 'Tiga Gajah Brand'. I have no hesitation in opting for the view that the general public would view the product as the 'elephant brand'. I also hold that the words 'Cap Gajah Tunggal' in the packaging of the respondent's goods would make no difference because the general public would be moved by the presence of the elephant device. The two brands can be easily confused because they are so similar. In my view, in the course of a telephone conversation for an order for the 'elephant brand' rice flour, a resulting confusion may lead to the respondent's rice flour being delivered instead of the applicant's as required and as was intended.

A B C D E F

VARIATIONS IN DETAILS MIGHT WELL BE SUPPOSED TO BE MADE BY THE OWNERS

It was submitted by the applicant that it is common in-trade practice that proprietors of marks make variations in their marks for different ranges of their products. Therefore, customers may well suppose that the respondent's elephant mark with its variations is only a variation made by the applicant for the 'elephant' mark for perhaps a different range of the rice flour products. The applicant relied heavily on *R Johnston & Co*. In that case, the marks of the defendant and the plaintiff were placed side by side which revealed very apparent differences in detail. It was held by Lord Selbourne LC at p 225 that even if the differences between the two marks were noticed, it would probably appear that these were:

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> ... only differences of ornamentation, posture and other accessories, leaving the distinctive and characteristic symbol substantially unchanged. Such variations might not unreasonably be supposed to have been made by the owners of the plaintiff's trade mark themselves for reasons of their own. I

In reply, Mr Lim submitted that differences of ornamentation, posture and other accessories might not unreasonably be supposed to have been made by the owners of the trade mark where the market is unable to read

A and understand English. In my view, the submission of the respondent in this respect lacks merit. Clearly, in this case, the general public is liable to accept the respondent's brand as a variation of the applicant's.

Discretionary power of court to refuse rectification

B The applicant submitted that even if there exist grounds for rectification which have been otherwise properly established, s 45 of the TMA 1976 conferred upon the court a residual discretion to refuse rectification and reliance for this view was placed on *GE Trade Mark* [1973] RPC 297 at p 335 and the primary consideration affecting the exercise of this discretion, it C was submitted, is public policy.

In *Phantom Trade Mark* [1978] RPC 245, the court held that even if the court had come to the conclusion that the entry in the register was wrong and ought not to have been made, the court would, in the exercise of its discretion, have allowed the entry to stand. I hold that it is against public policy to allow for rectification even if the entry was initially wrong D (which is not so in this case) and ought not to have been made. The public interest consideration in this case would clearly be for the continued use of the applicant's trade mark by the applicant as has been done for the past 20 years. Having regard to all the circumstances, I would not grant rectification.

E It was finally argued by the respondent that there was delay by the applicant in executing the order in that it was done 1½ years from the time of obtaining the order to date of raid. Mr Lim readily concedes that there are no authorities which oblige the applicant to execute the order within any stipulated time period. However, he argued that the delay went towards the issue of the intention of the applicant in applying for an ex F parte order. To my mind, the purpose of obtaining an ex parte order was to have an order ready to be able to execute as and when necessary. The need arose when the raid became necessary. The order was a precautionary one. I cannot in such circumstances hold that there was a delay. I therefore dismissed the respondent's application with costs.

G *Respondent's application dismissed.*

Reported by S Melanie Ann

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